Assignment 1: Testable Assumptions & Test Vehicles

Assignment Instructions

For this assignment, you'll be developing:

- A prioritized set of five assumptions for your team to test
- Three different test vehicles for each of your top three assumptions

You can do this using the Word template that follows the instructions, or you may want to start working from a complete Venture Design Template.

1. **Define your project area. You may use the project definition statement from the first course's assignment, or follow these instructions to create a new one.**
   a. While you're free to switch, I recommend picking a software idea you can build up through the rest of the Specialization and even refine in the Capstone. For example, you might have an idea to solve a problem (job, desire) you've had or seen, or you might want to focus on something at your current job. It's most important that the idea is relatively specific (vs. perfect) and that it's OK for you to share it with your peer reviewers.
   b. To help your peer reviewers understand the software idea you are developing, introduce your idea with the following positioning statement:
      For (target customer) who (statement of the need or opportunity), the (product name) is a (product category) that (statement of key benefit – that is, compelling reason to buy). Unlike (primary competitive alternative), our product (statement of primary differentiation).
      Here's an example from our sample company, HVAC in a Hurry:
      For [dispatchers and technicians] who [work at HVAC in a Hurry], [H-ify] is an [enterprise software solution] that [improves the HVAC repair and maintenance experience for both internal staff and customers]. Unlike [ad hoc solutions], our product [has been carefully formulated and validated against best practices and awesome customer experiences out in the field].
   c. Frame your core/summary value hypothesis. This is just a very high level summary of what you want to do for the user and how you hope they'll respond. You'll use the same general format we've been applying for assumptions:
      [A certain persona exists] and they have [certain specific problems] where they're currently using [certain alternatives] and if we [deliver a certain proposition] they will [do something- buy, etc.].
      Here's an example from our sample company, Enable Quiz:
      If we provide HR manages with a tool for lightweight quizzing, then they will buy it, use it, and it will improve their company's hiring outcomes.

2. **Unbundle the core/summary value hypothesis into more detailed/specific assumptions.**
   a. Take your core/summary value hypothesis and decompose it into a more detailed set of at least five 'child' hypotheses to test using the same formula (but for your more detailed/specific hypotheses):
      If we [do something] for [persona], they will [respond a certain way].

3. Prioritize your more detailed assumptions and explain the priority level based on the following scale

1 = Pivotal: If this is disproven, the venture needs to be canned or go through a fundamental pivot.

2 = Child of a pivotal assumption: Same assumption but more detail, specificity

3 = Child of a child: More detail on one of the priority 2 assumptions above

----------End of truly pivotal assumptions----------

4 = Extremely important: This assumption substantially affects key profit drivers.

5 = Important: This assumption affects key profit drivers.

6 – 10 = Tactical-- For incremental improvements in various areas.

X = Not sure: Not being sure of the priority is much better than skipping it!

4. Plan test vehicles for each assumption.

a. For each assumption, diverge the possibilities by drafting **three** (nine total) different test vehicles (Wizard of Oz, Concierge, and Sales). Really think through how you might test the assumption using each MVP archetype. Look at both the cost (how much time and money the test will take) and the benefit (how conclusive will the results be) of each experiment.
   This might seem like a lot of work, but from experience we know that this will help you: a) strengthen your understanding of the important differences between these vehicles b) serve as a brainstorming mechanism so you surface the best possible ideas. The practice of innovation involves generating a lot of ideas and then discarding all but the best. It seems wasteful at first, but consistent practice produces really great results.

Testable Assumptions AssignmentTemplate

Project position statement

For (target customer) who (statement of the need or opportunity), the (product name) is a (product category) that (statement of key benefit – that is, compelling reason to buy). Unlike (primary competitive alternative), our product (statement of primary differentiation)

Core/Summary Value Hypothesis

If we [do something] for [persona], they will [respond in a certain way].

Testable Child Assumptions

1. If we [do something] for [persona], they will [respond a certain way]
2. If we [do something] for [persona], they will [respond a certain way]
3. If we [do something] for [persona], they will [respond a certain way]
4. If we [do something] for [persona], they will [respond a certain way]
5. If we [do something] for [persona], they will [respond a certain way]

Priority	Type of assumption (Pivotal, child of a pivotal, child of a child of a pivotal; extremely important, important, tactical; not sure)	Explanation for the Ranking
1		
2		
3		
End truly pivotal assumptions		
4		
5		
6 – 10		
X		

#	Priority	Key Assumption	Test Vehicles
1			Wizard of Oz
			Concierge
			MVP
2			Wizard of Oz

			Concierge
			MVP
3			Wizard of Oz
			Concierge
			MVP
			Concierge
			MVP